



# NEWS RELEASE

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## *Backgrounder*

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### **THE CLINTON ADMINISTRATION AND THE USDA MAKING A DIFFERENCE IN MINNESOTA AGRICULTURE**

USDA is working hard to enhance the quality of life for the people of Minnesota and America through programs that benefit production agriculture, help develop rural communities and provide economic opportunities for farm and rural residents.

In March, Secretary Glickman announced that the USDA was purchasing up to \$30 million worth of beef products to help improve prices for cattle producers and the livestock industry. This was in addition to the \$141 million of beef purchased by the USDA for the 1997-98 school lunch program. Glickman also announced a series of actions that USDA will take to address concerns about the concentration of fair trade practices in the poultry and livestock industries. In April, Glickman announced initiatives to improve the safety net for American family farmers, including making it easier to expand insurance to new crops and new areas, moderating insurance rate adjustments, and developing pilot programs to give farmers increased protection.

In Fiscal Year 1998, USDA'S GSM-102 credit guarantee program enabled exporters to sell around \$290 million in U.S. wheat, as well as \$435 million worth of feed grains and nearly \$600 million under the oilseeds category. Under our food aid programs, we expect to provide nearly \$170 million worth of U.S. wheat to 20 or more countries this year, and nearly \$45 million worth of feed grains as well as \$230 million of soybeans and products..

USDA is also providing the necessary leadership in caring for agricultural, forest, and range lands, protecting topsoil from erosion, and reducing water runoff and sedimentation to protect groundwater and Minnesota's rivers and streams to ensure a profitable, sustainable, and healthy planet for generations to come. In February, Governor Arne Carlson and USDA Deputy Secretary Rominger signed the Minnesota Conservation Reserve Enhancement Program to address water quality issues associated with the Minnesota River. The federal share of this project is \$200 million, with the state contributing \$50 million.

USDA helps Minnesota farmers in many ways through its Farm Service, Rural Development, and Natural Resource and Conservation programs. Some direct examples of USDA's commitment to Minnesota are:

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FARM SERVICES -- USDA provides operating loans to beginning and family farmers for purchasing livestock, farm equipment, feed, seed, fertilizer, pesticides, supplies and to cover other essential expenses. From 1993-98, USDA provided Minnesota farmers with \$186.4 million in direct farm operating loans and guaranteed another \$445.8 million in farm operating loans. Ownership loans are available to beginning farmers as they establish themselves in agriculture and to existing owner/operators to make improvements to their operations or to restructure debt. From 1993-98, USDA provided Minnesota farmers with \$23.4 million in direct farm ownership loans and over \$132 million in guaranteed loans. Emergency loans are available to farmers in counties that have suffered damages from weather or other natural disasters; such counties must be designated by the President or the Secretary of Agriculture. From 1993-98, USDA provided emergency loans to Minnesota farmers totaling \$40.8 million.

RURAL DEVELOPMENT -- USDA's Rural Development programs benefit rural America in many ways. In 1997, USDA provided over \$118.5 million through direct and guaranteed loan and grant programs to rural residents and businesses of Minnesota compared to \$85 million in 1992. Of the 1997 figure, \$25 million went to support Rural Utility Service loan programs for such essential public facilities and services as water and sewer systems, health clinics, emergency service facilities and electric and telephone services. The Rural Business Service (RBS) promoted economic development in Minnesota by guaranteeing and lending \$13.3 million in business loans through banks and community-managed lending pools. The RBS estimates that nearly 3,000 jobs will be created or saved in Minnesota as a result of RBS direct and guaranteed loans in 1997. USDA also provided nearly \$80.8 million in home ownership loans, community facilities and rural rental housing assistance to Minnesota residents through the Rural Housing Service. Over 1,200 Minnesota families were assisted by the agency's Single Family Housing program in 1997.

NATURAL RESOURCE CONSERVATION -- Through the Conservation Reserve Program (CRP), the Wildlife Habitat Incentives Program (WHIP), the Environmental Quality Improvement Program (EQIP), the Wetlands Reserve Program (WRP), and other programs, the USDA is helping Minnesota farmers protect environmentally sensitive lands from erosion, restore wildlife habitat, improve water quality, and produce crops and livestock in a sustainable way. Over 1,147,484 acres of Minnesota fragile farmland are currently safeguarded under the CRP program. Beginning in FY98, USDA expects payments to be nearly \$68 million to Minnesota farmers enrolled in the CRP program and \$6.2 million to Minnesota farmers enrolled in WHIP and EQIP. For FY 97, USDA invested \$39 million in Emergency Watershed Protection funds to repair flood damage in the Red River Valley.